

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Burt Township	County Cheboygan
Audit Date March 31, 2004	Opinion Date June 4, 2004	Date Accountant Report Submitted to State: June 14, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.

2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☐ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
n/a
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	x		
Reports on individual federal financial assistance programs (program audits).			x
Single Audit Reports (ASLGU).			x

Certified Public Accountant (Firm Name) Daniel R. Nieland, C.P.A.			
Street Address 201 South Main Street	City Cheboygan	State MI	ZIP 49721
Accountant Signature <i>Daniel R. Nieland C.P.A.</i>			

BURT TOWNSHIP
CHEBOYGAN COUNTY
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2004

CONTENTS

ACCOUNTANT'S REPORT	1
AUDITED FINANCIAL STATEMENTS:	
Combined Balance Sheet - All Funds and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - All Government Fund Types	3
NOTES TO FINANCIAL STATEMENTS	4 - 8
SUPPLEMENTAL INFORMATION:	
FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS	
<u>General Fund</u>	
Balance Sheet	9
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	10 - 11
<u>Special Revenue Fund</u>	
Combining Balance Sheet	12
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	13
<u>Cemetery Fund</u>	
Balance Sheet	14
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	15
<u>Liquor Law Enforcement Fund</u>	
Balance Sheet	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	17
TRUST AND AGENCY FUNDS:	
<u>Current Tax Collection Fund</u>	
Statement of Changes in Assets and Liabilities	18
GENERAL ACCOUNT GROUPS:	
<u>General Fixed Assets</u>	
Statement of General Fixed Assets	19
OTHER:	
Auditing Procedures Report	20
Letter of Comments and Recommendations	21

DANIEL R. NIELAND

CERTIFIED PUBLIC ACCOUNTANT

201 SOUTH MAIN STREET
CHEBOYGAN, MICHIGAN 49721
(231) 627-4396
FAX: (231) 627-6594

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
AND
MICHIGAN ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Township Board
Burt Township
County of Cheboygan
Cheboygan, Michigan 49721

I have audited the accompanying financial statements of Burt Township of Cheboygan County, Michigan, as of and for the year ended March 31, 2004. These financial statements are the responsibility of the Township Board. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Burt Township as of March 31, 2004, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as combining and individual fund financial data in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Burt Township. Such information has been subject to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Daniel R. Nieland

CERTIFIED PUBLIC ACCOUNTANT

June 4, 2004
Cheboygan, Michigan 49721

BURT TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>Governmental Funds</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>
ASSETS:					
Cash	\$149,316	\$ 2,844	\$182,338	\$	\$334,498
Due From Other Funds	182,338				182,338
Fixed Assets				83,035	83,035
TOTAL ASSETS	<u>\$331,654</u>	<u>\$ 2,844</u>	<u>\$182,338</u>	<u>\$ 83,035</u>	<u>\$599,871</u>
LIABILITIES:					
Accounts Payable	\$ 1,704	\$	\$	\$	\$ 1,704
Deferred Revenue	182,338				182,338
Due To Other Funds			182,338		182,338
TOTAL LIABILITIES	184,042	-0-	182,338	-0-	366,380
FUND EQUITY:					
Investment in General Fixed Assets				83,035	83,035
Fund Balance	<u>147,612</u>	<u>2,844</u>			<u>150,456</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$331,654</u>	<u>\$ 2,844</u>	<u>\$182,338</u>	<u>\$ 83,035</u>	<u>\$599,871</u>

The accompanying notes are an integral
part of these financial statements.

BURT TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL TYPES
TWELVE MONTHS ENDED MARCH 31, 2004

	<u>General Fund</u>			<u>Special Revenue</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:						
Current Property Tax	\$143,000	\$143,827	\$ 827	\$	\$	\$
Non-Business Licenses and Permits	3,000	3,597	597			
State Revenue Sharing	41,761	45,430	3,669	522	522	
Charges of Service Fees	20,000	20,630	630			
Interest Earnings	1,000	610	(390)			
Other Revenues	<u>30,000</u>	<u>6,484</u>	<u>(23,516)</u>	<u>2,000</u>	<u>2,000</u>	
TOTAL REVENUE	238,761	220,578	(18,183)	2,522	2,522	-0-
EXPENDITURES:						
Legislative	10,970	5,591	5,379			
Executive	31,200	25,309	5,891			
Elections	2,000		2,000			
General Services Adm.	68,160	39,685	28,465	6,000	5,285	715
Law Enforcement				784	784	
Fire Protection	41,000	41,702	(702)			
Public Works	31,000	4,310	26,690			
Sanitation	50,000	43,711	6,389			
Planning	36,000	35,606	394			
Other Functions	<u>52,800</u>	<u>7,048</u>	<u>45,752</u>			
TOTAL EXPENDITURES	323,130	202,972	120,158	6,784	6,069	715
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE TRANSFER	(84,369)	17,606	101,975	(4,262)	(3,547)	715
TRANSFER TO OTHER FUNDS	(5,350)	(2,300)	3,050	5,300	2,300	(3,000)
TRANSFER FROM OTHER FUNDS						
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (89,719)</u>	<u>15,306</u>	<u>\$105,025</u>	<u>\$ 1,038</u>	<u>(1,247)</u>	<u>\$ (2,285)</u>
FUND BALANCE APRIL 1, 2003		<u>132,306</u>			<u>4,091</u>	
FUND BALANCE MARCH 31, 2004		<u>\$147,612</u>			<u>\$ 2,844</u>	

The accompanying notes are an integral part of these financial statements.

BURT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Burt Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of significant accounting policies.

Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Government Funds

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity for other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Fixed Assets

All fixed assets are valued at historical cost of estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

BURT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

Basis of Accounting

All government funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales tax are considered "measurable" when in the hands of intermediary collecting governments are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Property Taxes

Property taxes are assessed as of December 31, and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls.

The tax calendar applicable to the tax collection when in the Current Tax Collection Fund are as follows:

Assessed	December 31, 2002
Billed	December 1, 2003
Due	February 14, 2004
Added To County Rolls	February 28, 2004

The Township Treasurer transfers the Township share of the Current Tax Collections at the beginning of the fiscal year. Therefore, the accounts Deferred Revenue and Due From Current Tax Collection Fund are utilized to account for the above listed taxes.

Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the Clerk submits to the Township Board a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to the beginning of the fiscal year, the budget is legally enacted through acceptance by the Board.
4. The Township Board periodically reviews expenditures and compares to budget in compliance with P.A. 621 of 1978. Budget amendments are approved as necessary.
5. The Township is in substantial compliance with P.A. 621 of 1978.

BURT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE B - COMPARATIVE DATA

Comparative data from March 31, 2003, has not been presented because that period has not been audited. Presentation of unaudited comparative data along with current audited financial statements could be misleading to the reader of these statements.

NOTE C - REPORTING ENTITY

The reporting entity shown in these financial statements is Burt Township, Cheboygan County. These statements reflect all revenue and expenditures over which the Township Board has control. There are no authorities, related boards or non-profit corporations over which the Board has control. The Township does transfer funds to the Mullet-Burt Cemetery, whose Board is made up of citizens of both Townships. The Board, however, has no control over these funds after transfer. These statements, therefore, are comprehensive of the Township activity and comparable to data listed in previous audited statements.

NOTE D - BUDGETARY DEFICITS

There were two unfavorable variances in the Township budget:

General Fund - Interest	\$ (390)
General Fund - Other Revenues	\$(23,516)

NOTE E - BALANCE SHEET CASH

Deposits are carried at cost. Deposits of the Township are at National City Bank in the name of Burt Township. Michigan Compiled Law Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; banker's acceptance of United States banks; mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan; and commercial paper rated by two agencies within the three highest classifications; which mature more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion Number 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan.

The Township's deposits are in accordance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement Number 3 risk disclosures for the Township's cash deposits are entirely held in FDIC at National City Bank as follows:

BURT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE E - BALANCE SHEET CASH (CONTINUED)

<u>Deposits</u>	<u>Carrying Amounts</u>
Insured (FDIC)	\$100,000
Uninsured	<u>231,977</u>
Total Deposits	<u>\$331,977</u>

NOTE F - INTERFUND TRANSFERS

The following summarizes interfund transfers:

	<u>General Fund</u>	<u>Cemetery Fund</u>	<u>Liquor Fund</u>	<u>Totals</u>
Transfer In	\$	\$ 2,000	\$ 300	\$ 2,300
Transfer Out	<u>(2,300)</u>	<u></u>	<u></u>	<u>(2,300)</u>
Totals	<u>\$ (2,300)</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ -0-</u>

NOTE G - PENSION PLAN

Burt Township contributes to the Board Township Pension Plan, which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investment of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All Township employees participate in the plan from the date they are hired or elected. All contributions are subject to 100% vesting. An employee who leaves the employment of the Township is entitled to his or her contributions and the Township's contribution because of 100% vesting.

The Township is required to contribute an amount equal to 7.0% of gross earnings.

During the year, the Township's required actual contributions amounted to \$9,805.

No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

The plan held no securities of the Township or other related parties during the year or as of the close of the fiscal year.

BURT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE H - IMPLEMENTATION OF GASB STATEMENT NUMBER 34

The Governmental Accounting Standards Board (GASB) issued Statement No. 34 in July 1999. This statement requires basic changes in financial statements. The implementation date for the Township of Burt is for periods beginning after June 14, 2003. Further, the Michigan Committee on Governmental Accounting and Auditing Statement No. 7 gives local units the option not to adopt GASB No. 34 in its entirety. The Township will implement GASB No. 34 for its next required audit.

SUPPLEMENTAL INFORMATION
FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with the general fund which are not required to be accounted for in another fund.

BURT TOWNSHIP
GENERAL FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS:

Cash	\$149,316
Due From Other Funds	<u>182,338</u>
TOTAL ASSETS	<u>\$331,654</u>

LIABILITIES:

Accounts Payable	\$ 1,704
Deferred Revenue	<u>182,338</u>
TOTAL LIABILITIES	184,042
GENERAL FUND BALANCE	<u>147,612</u>
TOTAL LIABILITIES AND GENERAL FUND BALANCE	<u>\$331,654</u>

The accompanying notes are an integral part
of these financial statements.

BURT TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TWELVE MONTHS ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Current Property Taxes	\$143,000	\$143,827	\$ 827
Non-Business Licenses and Permits	3,000	3,597	597
State Revenue Sharing	41,761	45,430	3,669
Charges of Service Fees	20,000	20,630	630
Interest Earnings	1,000	610	(390)
Other Revenue	<u>30,000</u>	<u>6,484</u>	<u>(23,516)</u>
TOTAL REVENUE	<u>238,761</u>	<u>220,578</u>	<u>(18,183)</u>
EXPENDITURES:			
Legislative:			
Township Board	<u>10,970</u>	<u>5,591</u>	<u>5,379</u>
Total Legislative	10,970	5,591	5,379
Executive:			
Supervisor	<u>31,200</u>	<u>25,309</u>	<u>5,891</u>
Total Executive	31,200	25,309	5,891
Elections:			
Elections	<u>2,000</u>	<u>-0-</u>	<u>2,000</u>
Total Elections	2,000	-0-	2,000
General Services Administration:			
Clerk	14,100	12,889	1,211
Board of Review	3,000	2,367	633
Treasurer	21,060	18,684	2,376
Township Hall	<u>30,000</u>	<u>5,755</u>	<u>24,245</u>
Total General Services	68,160	39,695	28,465
Fire Protection:			
Fire Protection	<u>41,000</u>	<u>41,702</u>	<u>(702)</u>
Total Fire Protection	41,000	41,702	(702)

BURT TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TWELVE MONTHS ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES (CONTINUED):			
Public Works:			
Highways, Streets and Bridges	\$ 30,000	\$ 4,310	\$ 25,690
Public Improvements	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Total Public Works	31,000	4,310	26,690
Sanitation:			
Sanitary Landfill	<u>50,000</u>	<u>43,711</u>	<u>6,289</u>
Total Sanitation	50,000	43,711	6,289
Planning:			
Planning and Zoning	<u>36,000</u>	<u>35,606</u>	<u>394</u>
Total Planning	36,000	35,606	394
Other Functions:			
Legal and Professional	25,000	2,911	22,089
Insurance and Bonds	4,000	4,127	(127)
Other	<u>23,800</u>	<u>10</u>	<u>23,790</u>
Total Other	<u>52,800</u>	<u>7,048</u>	<u>45,752</u>
TOTAL EXPENDITURES	<u>323,130</u>	<u>202,972</u>	<u>120,158</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE TRANSFERS	(84,369)	17,606	101,975
TRANSFER TO OTHER FUNDS	(5,350)	(2,300)	3,050
TRANSFER FROM OTHER FUNDS	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(89,719)</u>	15,306	<u>\$105,025</u>
FUND BALANCE APRIL 1, 2003		<u>132,306</u>	
FUND BALANCE MARCH 31, 2004		<u>\$147,612</u>	

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

CEMETERY FUND - to account for monies raised specifically for the operation of a cemetery.

LIQUOR LAW ENFORCEMENT FUND - to account for monies used for activities relating to Liquor Law Enforcement. Financed by return of a portion of liquor license fees paid to the State.

BURT TOWNSHIP
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
MARCH 31, 2004

	Cemetery Fund	Liquor Law Enforcement Fund	Total
ASSETS:			
Cash	\$ 2,521	\$ 323	\$ 2,844
TOTAL ASSETS	<u>\$ 2,521</u>	<u>\$ 323</u>	<u>\$ 2,844</u>
LIABILITIES	\$ -0-	\$ -0-	\$ -0-
Total Liabilities	-0-	-0-	-0-
FUND BALANCE	<u>2,521</u>	<u>323</u>	<u>2,844</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,521</u>	<u>\$ 323</u>	<u>\$ 2,844</u>

The accompanying notes are an integral part
of these financial statements.

BURT TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS
 TWELVE MONTHS ENDED MARCH 31, 2004

	Cemetery Fund	Liquor Enforcement Fund	Total
REVENUE:			
State Revenue Sharing	\$	\$ 522	\$ 522
From Other Local Governments	<u>2,000</u>	<u> </u>	<u>2,000</u>
Total Revenue	2,000	522	2,522
EXPENDITURES:			
General Services Adm.	5,285		5,285
Law Enforcement	<u> </u>	<u>784</u>	<u>784</u>
Total Expenditures	<u>5,285</u>	<u>784</u>	<u>6,069</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE TRANSFERS	(3,285)	(262)	(3,547)
TRANSFERS FROM OTHER FUNDS	2,000	300	2,300
TRANSFER TO OTHER FUNDS	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,285)	38	(1,247)
FUND BALANCE APRIL 1, 2003	<u>3,806</u>	<u>285</u>	<u>4,091</u>
FUND BALANCE MARCH 31, 2004	<u>\$ 2,521</u>	<u>\$ 323</u>	<u>\$ 2,844</u>

The accompanying notes are an integral part of these financial statements.

BURT TOWNSHIP
CEMETERY FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS:

Cash

\$ 2,521

TOTAL ASSETS

\$ 2,521

CEMETERY FUND

\$ 2,521

The accompanying notes are an integral part
of these financial statements.

Page 14

BURT TOWNSHIP
CEMETERY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TWELVE MONTHS ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE:			
From Other Local Governments	\$ 2,000	\$ 2,000	\$
Total Revenue	2,000	2,000	-0-
EXPENDITURES:			
General Services Administration:			
Cemetery	<u>6,000</u>	<u>5,285</u>	<u>715</u>
Total General Services	<u>6,000</u>	<u>5,285</u>	<u>715</u>
Total Expenditures	<u>6,000</u>	<u>5,285</u>	<u>715</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES BEFORE TRANSFER	(4,000)	(3,285)	715
TRANSFER:			
From Other Funds	<u>5,000</u>	<u>2,000</u>	<u>(3,000)</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	<u>\$ 1,000</u>	(1,285)	<u>\$ (2,285)</u>
FUND BALANCE APRIL 1, 2003		<u>3,806</u>	
FUND BALANCE MARCH 31, 2004		<u>\$ 2,521</u>	

The accompanying notes are an integral part
of these financial statements.

BURT TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS:

Cash \$ 323

TOTAL ASSETS \$ 323

LIABILITIES

\$ -0-

Total Liabilities -0-

FUND BALANCE 323

TOTAL LIABILITIES AND FUND BALANCE \$ 323

The accompanying notes are an integral part
of these financial statements.

BURT TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TWELVE MONTHS ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUE:			
State Revenue Sharing	\$ 522	\$ 522	\$
Total Revenue	522	522	-0-
EXPENDITURES:			
Law Enforcement:			
Salary	700	700	
Retirement	<u>84</u>	<u>84</u>	
Total Expenditures	<u>784</u>	<u>784</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES BEFORE TRANSFERS	<u>(262)</u>	<u>(262)</u>	<u>-0-</u>
TRANSFER FROM OTHER FUNDS	<u>300</u>	<u>300</u>	<u>-0-</u>
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES	<u>\$ 38</u>	38	<u>\$ -0-</u>
FUND BALANCE - BEGINNING OF YEAR		<u>285</u>	
FUND BALANCE - END OF YEAR		<u>\$ 323</u>	

The accompanying notes are an integral part of these financial statements.

TRUST AND AGENCY FUND

CURRENT TAX COLLECTION FUND - to account for current tax collections deposited to separate accounts in accordance with State Department of Treasury regulations. This fund is operational only during the period current property taxes are collected and distributed.

BURT TOWNSHIP
TRUST AND AGENCY - CURRENT TAX COLLECTIONS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDING MARCH 31, 2004

	Balance March 31, <u>2003</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance March 31, <u>2004</u>
Cash	<u>\$-0-</u>	<u>\$2,710,402</u>	<u>\$2,528,064</u>	<u>\$182,338</u>
Due To Other Funds	\$	\$ 182,338	\$	\$182,338
Due To County		458,232	458,232	
Due To Schools		1,354,709	1,354,709	
Due To Intermediate School District		230,495	230,495	
Due State - Michigan		442,210	442,210	
Due County - Senior Milage		41,298	41,298	
Refunds and Miscellaneous	<u> </u>	<u>1,120</u>	<u>1,120</u>	<u> </u>
	<u>\$-0-</u>	<u>\$2,710,402</u>	<u>\$2,528,064</u>	<u>\$182,338</u>

The accompanying notes are an integral part
of these financial statements.

GENERAL ACCOUNT GROUPS

GENERAL FIXED ASSETS - to account for all fixed assets and significant betterment to Township property. Valuation at historical cost where possible or at appraised value where historical is not available.

BURT TOWNSHIP
STATEMENT OF GENERAL FIXED ASSETS
MARCH 13, 2004

	March 31, <u>2002</u>	<u>Additions</u>	March 31, <u>2004</u>
GENERAL FIXED ASSETS:			
Land and Township Hall	\$ 17,872	\$	\$ 17,872
Land, Cemetery, Sanitary			
Landfill and Other	23,208		23,208
Improvements	6,823	23,879	30,702
Equipment and Furniture	<u>7,414</u>	<u>3,839</u>	<u>11,253</u>
	<u>\$ 55,317</u>	<u>\$ 27,718</u>	<u>\$ 83,035</u>
INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 55,317</u>	<u>\$ 27,718</u>	<u>\$ 83,035</u>

The accompanying notes are an integral part
of these financial statements.

DANIEL R. NIELAND

CERTIFIED PUBLIC ACCOUNTANT

201 SOUTH MAIN STREET
CHEBOYGAN, MICHIGAN 49721
(231) 627-4396
FAX: (231) 627-6594

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
AND
MICHIGAN ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

June 4, 2004

Burt Township
Township Board
Cheboygan County
Cheboygan, Michigan 49721

Re: Comments and Recommendations

I have examined the general purpose financial statements of Burt Township, Cheboygan County, for the year ended March 31, 2004, and have issued my report thereon dated June 4, 2004.

My examination was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions." Solely to assist in planning and performing my examination, I made a study and evaluation of the internal accounting controls of Burt Township, Cheboygan County. That study and evaluation was limited to a preliminary review of the system to obtain an understanding of the control environment and the flow of transactions through the accounting system. Because I am not relying on the entity's internal accounting control procedures to restrict my substantive tests, my study and evaluation of the internal accounting controls did not extend beyond this preliminary review phase. Accordingly, I do not express an opinion on the system of internal accounting control taken as a whole. Also, my examination made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the system of internal accounting control.

This report and accompanying recommendations are intended solely for the use of management and should not be used for any other purpose.

I found no other items during the examination worthy of note and would like to thank both Mrs. Weaver and Mrs. Reimann for the excellent job that they have done on record keeping and the assistance they have shown me during the audit. If there are any questions regarding this letter or the audited statement, please don't hesitate to contact me.

Sincerely,



Daniel R. Nieland, C.P.A.

DRN/jb